
SUBSTITUTE HOUSE BILL 1581

State of Washington

66th Legislature

2019 Regular Session

By House Housing, Community Development & Veterans (originally sponsored by Representatives Fey, Riccelli, Wylie, Doglio, Jinkins, and Ormsby)

READ FIRST TIME 02/08/19.

1 AN ACT Relating to funding local housing trust fund programs in
2 certain cities; adding a new chapter to Title 35 RCW; providing an
3 effective date; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that there is a
6 housing affordability crisis that requires multiple urgent and
7 creative responses. The legislature finds that certain cities have
8 established local trust funds to respond to the crisis; however, to
9 be successful local trust funds need dedicated sources of funding to
10 provide greater and more reliable resources to preserve and build new
11 housing. The legislature therefore creates the construction sales and
12 use tax remittance for certain eligible cities.

13 NEW SECTION. **Sec. 2.** (1) Beginning August 1, 2019, up to one
14 hundred percent of taxes collected annually, pursuant to RCW
15 82.08.020(1) on all retail sales of construction services as defined
16 in RCW 82.04.050(2)(b) performed within the city limits of a
17 qualifying city, must be deposited into the local housing trust fund
18 created in section 3 of this act.

19 (2) Revenue collections under this section must equal the amount
20 of money each qualifying city has deposited into its local housing

1 trust fund in that fiscal year, but may not exceed five million
2 dollars for each qualifying city in a fiscal year. Any revenue
3 collections under this section must be deposited into the local
4 housing trust fund established under section 3 of this act.

5 (3) For the purposes of this section, "qualifying city" means a
6 city:

7 (a) With a population of at least two hundred thousand people in
8 a county with less than one million five hundred thousand people;

9 (b) That has established a local housing trust fund under section
10 3 of this act prior to July 1, 2021; and

11 (c) For which the legislative authority has approved the deposit
12 of revenue collections required in this section.

13 (4) This section expires January 1, 2041.

14 NEW SECTION. **Sec. 3.** City legislative authorities may establish
15 a local housing trust fund for the purpose of funding affordable
16 housing located wholly or partially within the city. Money deposited
17 into the local housing trust fund must be used solely for the
18 following purposes:

19 (1) New construction, rehabilitation, or acquisition of low and
20 very low-income housing units;

21 (2) Matching funds for social services directly related to
22 providing housing for special needs tenants in assisted projects;

23 (3) Technical assistance, design and finance services and
24 consultation, and administrative costs for eligible nonprofit
25 community or neighborhood-based organizations;

26 (4) Administrative costs for housing assistance groups or
27 organizations when such grant or loan will substantially increase the
28 recipient's access to housing funds other than those available under
29 this chapter;

30 (5) Shelters and related services for the homeless, including
31 emergency shelters and overnight youth shelters;

32 (6) Mortgage subsidies, including temporary rental and mortgage
33 payment subsidies to prevent homelessness;

34 (7) Mortgage insurance guarantee or payments for eligible
35 projects;

36 (8) Down payment or closing cost assistance for eligible first-
37 time home buyers;

38 (9) Acquisition of housing units for the purpose of preservation
39 as low-income or very low-income housing;

1 (10) Projects making housing more accessible to families with
2 members who have disabilities; and

3 (11) Remodeling and improvements as required to meet building
4 code, licensing requirements, or legal operations to residential
5 properties owned and operated by an entity eligible under RCW
6 43.185A.040, which were transferred as described in RCW
7 82.45.010(3)(t) by the parent of a child with developmental
8 disabilities.

9 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act
10 constitute a new chapter in Title 35 RCW.

11 NEW SECTION. **Sec. 5.** This act takes effect August 1, 2019.

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